

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Tony Hammond

Competitive Product Prices
Priority Mail Express, Priority Mail &
First-Class Package Service Contract 2 (MC2014-22)
Negotiated Service Agreement

Docket No. CP2014-37

ORDER APPROVING AMENDMENT TO
PRIORITY MAIL EXPRESS, PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE
NEGOTIATED SERVICE AGREEMENT

(Issued February 29, 2016)

I. INTRODUCTION

The Postal Service seeks to amend a Priority Mail Express, Priority Mail & First-Class Package Service negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Amendment.

¹ Notice of United States Postal Service of Amendment to Priority Mail Express, Priority Mail & First-Class Package Service Contract 2, with Portions Filed Under Seal, February 25, 2016 (Notice). The amendment is an attachment to the Notice (Amendment).

In Order No. 2034, the Commission approved the Priority Mail Express, Priority Mail & First-Class Package Service Contract 2 negotiated service agreement (Existing Agreement).² On February 25, 2016, the Postal Service filed notice that it has agreed to the Amendment to the Existing Agreement. The Amendment updates terminology to reflect current product offerings. Notice, Attachment A at 1.

The Postal Service intends for the Amendment to become effective two business days after the date that the Commission completes its review of the Notice. Notice at 1.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal. The Amendment does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as amended, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

The Postal Service states that the Amendment shall become effective two business days after the date that the Commission completes its review. Notice at 1. The Existing Agreement, as amended, is set to expire three years after the initial effective date unless, among other things, either party terminates the contract with 90 days' written notice to the other party or it is renewed by mutual agreement.³

² See Docket Nos. MC2014-22 and CP2014-37, Order Adding Priority Mail Express, Priority Mail, and First-Class Package Service Contract 2 to the Competitive Product List, March 27, 2014 (Order No. 2034). The contract was later amended twice. See Order No. 2104, Order Approving Amendment to Priority Mail Express, Priority Mail & First-Class Package Service Contract 2 Negotiated Service Agreement, June 26, 2014; see also Order No. 2539, Order Approving Amendment to Priority Mail Express, Priority Mail, & First-Class Package Service Contract 2 Negotiated Service Agreement, June 11, 2015.

³ Docket Nos. MC2014-22 and CP2014-37, Request of the United States Postal Service to Add Priority Mail Express, Priority Mail & First-Class Package Service Contract 2 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, March 18, 2014, Attachment B at 4. Should both parties agree to renew the agreement, any such renewal is required to follow the requirements of 39 U.S.C. § 3633 and the Commission's implementing regulations of 39 C.F.R. part 3015.

If the Existing Agreement, as amended, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as amended.

It is ordered:

1. The Commission approves the Priority Mail Express, Priority Mail & First-Class Package Service Contract 2 negotiated service agreement, as amended.
2. The Postal Service shall notify the Commission if the Existing Agreement, as amended, terminates prior to the scheduled expiration date.

By the Commission.

Stacy L. Ruble
Secretary